

Trade Invest Monthly

Hawaii's International Business Network

State of Hawaii

Department of Business, Economic Development & Tourism

Hawaii International Notices

Hawaii- Banana Grower/Exporter Recognized

Congratulations to Kea'au Banana Plantation for their export success! The July 2000 issue of the Western Agri-Export Quarterly, a publication of the Western U.S. Agricultural Trade Association (WUSATA), featured the export success of a Big Island-based company, Kea'au Banana Plantation.

The Kea'au Banana Plantation participated in WUSATA's Export Readiness (ER) program, through which the company was able to identify potential export markets and arrange for trial shipments to Japan. Recently, monthly orders have expanded into weekly orders. The company is also working to expand into the Vancouver B.C. market.

Kea'au Banana Plantation's export sales in 1999 totaled \$3,000. 2000 export sales are projected to reach \$550,000.

Hawaii agricultural and/or food companies interested in learning more about the WUSATA and State of Hawaii Department of Agriculture's programs should contact Bob Gerber, of the DOA, Tel: (808) 973-9592; or Chris Rose or Kathy Gerchak, of WUSATA, Tel: (360) 693-3373.

Email: chris@wusata.org or kathy@wusata.org.

EXPOCOMER in Panama City

Hawaii companies are invited to participate in EXPOCOMER 2001, at the ATLAPA Convention Center in Panama City, Panama, March 7-12, 2001.

According to Mr. Bill Brophy, the Hawaii contingent organizer, "Panama offers tremendous opportunities for Hawaii companies with expertise in infrastructure development, architectural, engineering, planning and other professional services; resort and tourism development, training of its service industry; and wholesale distribution of products. The Panamanian government is pro-business and seeks successful entrepreneurial initiatives."

Last year's show attracted 451 exhibitors, 21,344 buyer visits, and visitors from 33 countries. At that show Brophy attracted national press coverage for Hawaii by giving Panama's president, Mireya Moscoso, a traditional lei and aloha greeting at the trade show. Invitations were extended from the Chamber of Commerce of Hawaii to the president's ministerial cabinet to visit Hawaii to discuss cultural, economic, educational, environmental and sports exchanges. Moscoso promised to fit a visit to Hawaii into her busy first-year agenda."

Tom Matthews, President of Trade West Inc. dba Nani Makana Distributors, described their participation, "the show was quite a success!. We met and visited local dealers . . . [and] set up trial orders for their stores. It was a great learning and sales experience!"

For more information, contact Bill Brophy of EDENWORKS at Tel: (808) 549-6883.

Local Notices

HiTech Hawaii@2000

Many companies are discovering that Hawaii is one of the best places to do technology business. HiTechHawaii@2000 will showcase the State's fast-growing technology industry and how Hawaii is connecting to the New Economy.

Featured are:

- ◆ Speakers:
 - Travor John Woodage, M.D. Celera Genomics
 - Susan Scott, formerly with Upside Magazine
 - David Hong, cEverything.com
 - Christine Sorensen, AT&T
 - Tim Bajoarian, Creative Strategies
 - Goerges Saab, 4Charity.com
 - Mike May, Jupiter Communications
- ◆ Workshops demonstrating technology's impact on business.
- ◆ Exhibition area of the latest developments in high tech.

DATE: October 11 & 12, 2000

PLACE: Hawaii Convention Center

COST: \$150 - early registration, until Sept. 30
\$200 - after Sept. 30

Special rate: \$75 to the first 150 students, college I.D. required

REGISTRATION DEADLINE: October 6, 2000

The conference is organized by the Hawaii Technology Trade Association (HTTA) in partnership with DBEDT (High Technology Development Corporation, Hawaii Strategic Development Corporation, Hawaii Tourism Authority), the Chamber of Commerce of Hawaii, Hawaii Business Roundtable, the Department of Education, HawaiiMEP, TIGR, and the U.S. Small Business Administration.

For more information call, (808) 547-5898, Fax: (808) 547-5880 or refer to the HTTA website: www.htta.org.

Upcoming Small Business Development Center Seminars

The Hawaii Small Business Development Center Network (SBDC), a partnership between the University of Hawaii at Hilo and the U.S. Small Business Administration, will be conducting the following seminars on designing and setting up an e-commerce site:

Designing Effective Websites

Monday, October 9, 6:00 p.m. – 9:00 p.m. or

Wednesday, October 11, 9:00 a.m. to 12:00 noon

Instructor: Lawrence Harris, Electronic Commerce Resource Center

Topics: Gain an overview of web site design strategies and how to attract and keep visitors coming back. Also covered will be effective

techniques for layout and content as well as basic information on Hypertext Markup Language (HTML).

Cost: \$30.00

Marketing On-line

Tuesday, October 10, 1:00 p.m. to 4:00 p.m. or

Thursday, October 12, 6:00 p.m. – 9:00 p.m.

Instructor: Lawrence Harris, Electronic Commerce Resource Center
Topics: Learn web-based promotion strategies and how to improve website ranking in search engine results. Online catalogs, order fulfillment process, payment collection strategies and customer servicing will also be covered.

Cost: \$30.00

Other classes will be conducted on *Internet Security* and *Hands-On Web Page Designing*. For additional class information, contact Winona Chin at the SBDC Tel: (808) 522-8131

All classes will be held at the Honolulu Community College (HCC), 874 Dillingham Blvd., Honolulu, HI 96817

Call HCC to register at Tel: (808) 845-9296.

Worldwide Market Reports

Due to the large number of requests for reports, we have made the request process easier to better serve you. Complete the request form at the end of the newsletter and Fax to (808) 587-3388, or send an Email message to: tradeinvest@dbedt.hawaii.gov

Japan – Changes in the Market

The Japan External Trade Organization (JETRO) recently published a report on changes in the Japan market and its impact on certain industry sectors. A summary of sectors is as follows:

Finance

Known as the Japanese Big Bang – it refers to the elimination of boundaries between different types of financial service businesses. It is based on three principles: 1) “free” – deregulation of market entry, products offered, and pricing; 2) “fair” – making rules clear and transparent; and 3) “global” – moving toward an international and innovative market.

This change has led to an emergence and growth in on-line securities trading, and the future of individual asset management through 401(k) type corporate pension plans.

Information and Telecommunications

(Also sometimes called the “telecommunications big bang.”) The Japanese government eliminated regulations that restricted market entry for foreign-owned firms. Previously, two companies dominated the Japanese telecommunications industry. Nippon Telegraph and Telephone Corp. (NTT) had a monopoly on domestic telephone service, and KDD Corp. had a monopoly on international service.

The expansion of the mobile phones and the Internet (e-commerce) has brought about new business opportunities for foreign firms entering the Japan market. Other areas of expansion include digital satellite broadcasting and cable TV.

Medical Care and Welfare

This industry will be greatly affected by the rapid aging of the Japanese population, and with it comes the urgent need for improved social infrastructure in dealing with the elderly.

There will also be a need for new businesses related to welfare and long-term care.

One change is the introduction of the Long-term Care Insurance (Kaigo-Hoken) Program that went into effect in April 2000. It consolidates all services related to the care of the elderly – including medical care, health care and welfare – into a single program. Long-term services that operated under previous programs will now be exposed to free market competition as the Long Term Insurance Program allows users to choose their own providers. This will create new demands and needs for long-term care services.

Distribution

The “Large-Scale Retail Store Law” was amended in January 1992, easing the regulations that made it difficult to open large stores. The law has gone through modifications over the years, and as of June 2000, the law expired, and was replaced by a newly enacted “Large-Scale Retail Store Location Law”.

Deregulation has led to an increase of large-scale retail stores over the past 10 years. It also allowed foreign-owned distributors such as Toys R Us and Gap to establish a strong presence in the Japan market.

As a result of the changes and successful market entry of foreign-affiliated distributors and stores, the impact on Japan’s distribution system are as follows:

1. Retailers are doing more business directly with manufacturers;
2. More stores are opening in shopping malls and other retail facilities, and are drawing customers from the big-name department stores;
3. There is an increase in large-scale retail facilities in suburban areas; and
4. Cinema complexes are growing.

For a copy of a report, send the request form by Fax: (808) 587-3388 or by email: tradeinvest@dbedt.hawaii.gov.

Marketing to Canadian Chinese

The U.S. & Foreign Commercial Service recently published a report on a unique business opportunity, Canada’s ethnic Chinese population.

The Canadian market is similar to the U.S. market; both are multicultural in nature. However, instead of a mixture of the cultures, Canada has pockets of individual cultures and races.

Overall, minorities make up over 15% of Canada’s total population, and currently the Chinese-Canadians are the largest minority group in Canada, making up almost 26% of Canada’s total ethnic population. By 2001, it is estimated that there will be over 1.3 million people of Chinese descent in Canada.

The Chinese-Canadian profile is as follows:

1. The favored destinations for Chinese immigrants are Vancouver, Toronto, Montreal, Calgary, and Edmonton;
2. They have a higher propensity to spend compared to other ethnic groups in Canada. As an example, 70% of Chinese-Canadian car buyers in Toronto paid cash for their car purchase, and 40% own a single-family dwelling;
3. Recent immigrants are younger, wealthier professionals;
4. 70% own a personal computer;

5. Over 30% of households in Chinese communities earn more than US\$42,860. Over 25% of this group earns US\$53,570 or more; and
6. Within the Chinese community, there are four distinct groups – Hong Kong, People's Republic of China, Taiwan, and ethnic Chinese from Vietnam and Laos. They tend to live and socialize within their own communities.

The challenge is to reach these pockets of communities. What may work for one Chinese community may not work in others due to different language, cultural, religious, and political beliefs. It is critical to conduct the necessary research to market products and services to the Chinese-Canadian consumer.

According to the report, financial institutions, real estate, and telecommunications companies are well established within these communities. The lack of ethnic marketing for food, beverage, and household products presents opportunities for Hawaii exporters that are interested in targeting this ethnic market in Canada.

For a copy of a report, send the request form by Fax: (808) 587-3388 or by email: tradeinvest@dbedt.hawaii.gov.

Korea – "Institutional Feeding Food Service" Sector Market Brief (9 pages)

The U.S. Department of Agriculture's Foreign Agricultural Service recently published a report on Korea's institutional feeding food service (IFFS).

The report focuses on the commercial IFFS sector. The concept of commercial IFFS was first introduced to Korea in the late 1980s, as a result of the 1986 Asian Games and the 1988 Olympics being held in Korea. Prior to this, institutional feeding was considered a not-for-profit service by an organization for its own employees.

The growth of the commercial IFFS sector has been driven mainly by the *Chaebols* (Korean conglomerates). By establishing its own commercial IFSS business, each *Chaebol* could reduce the operation cost while generating additional revenue. In addition, other foreign companies, such as Sodexo from France and Abela Group from U.K., have also entered the market.

Key points of the report are as follows:

- The total IFSS grew by 5% each year on average from 1997 to 1999;
- 1999 IFSS market in Korea reached about US\$4.3 billion;
- The share of commercial IFSS has grown consistently from US\$0.9 billion in 1997 to US\$1.2 billion in 1999;
- The commercial IFFS sector is mainly led by a few companies – the top five companies comprised 35% of the overall market share value in 1999;
- There is potential in the fresh and process/prepared food materials as more emphasis is focused on a year-round global sourcing of low cost, good quality, stable supply food materials;
- There is growth potential. Only about 30% of the total institutional feeding market is taken by the commercial IFFS sector, compared to 95% for Japan;
- The Korean government's plan to adopt institutional feeding in all schools below college in the near future also provides growth opportunities;
- Price competitiveness and stable supply are two major reasons for commercial IFFS businesses to select imported food materials over domestic ones; and

- There is a strong demand for prepared (ready-to-serve with minimal preparation) food materials mainly due to the cost and the time efficiency.

For a copy of a report, send the request form by Fax: (808) 587-3388 or by email: tradeinvest@dbedt.hawaii.gov.

Brazil – Sporting Goods Market

As more Brazilian consumers emulate the U.S. lifestyle, U.S. sporting goods products are gaining wide acceptance.

The U.S. & Foreign Commercial Service reports that Brazil's sporting goods market is projected to grow at a rate of 3-4% over the next year. Brazil is the eighth largest economy in the world, and the largest one in Latin America. Brazil's GDP totaled US\$802 billion in 1998, and that is larger than all other South American countries combined.

Of particular interest to Hawaii companies, the report states there is an "enormous potential for water sports equipment in Brazil". Large ocean coastlines combined with ideal weather have given rise to the popularity of water sports and related equipment. Two great potential niches are surfing and diving. The local industry produces excellent quality boards. Nevertheless, this could prove an attractive market for U.S. companies due to superior designs and the prestige of U.S. brand names. Diving is an emerging sport and has good potential with the local population since there are beautiful natural locations where beach-related activities are also creating a demand for snorkel equipment. Other high demand products include personal watercrafts, jet boats, windsurfers, water-skis and boats, and canoes.

Hawaii companies interested in the Brazilian sporting goods market may wish to consider the following characteristics of the Brazilian consumer:

1. Most Brazilians view sports as entertainment rather than just a physical activity. As such, they are looking at sports as a relatively inexpensive entertainment alternative;
2. The consumption peak is during December and January as these are summer months in Brazil, and it coincides with the Brazilian academic holidays;
3. 60% of the end-users are concentrated in the Southeast region of Brazil. It is also where the most affluent population lives. The main cities are Sao Paulo and Rio de Janeiro; and
4. The typical users are high achievers, with an ambitious and fast-paced lifestyle to match. They are also health conscious, and they place a high importance on success;

The average consumer is not well informed about the existing sporting goods products in the market. Decision-making tends to be through referrals or recommendations from friends. Again, the focus of marketing sporting goods products will be on the entertainment value rather than the intention of physical fitness; and

For a copy of a report, send the request form by Fax: (808) 587-3388 or by email: tradeinvest@dbedt.hawaii.gov.

Hong Kong Environmental Project Public Tenders

The U.S. Consulate General in Hong Kong reports that the Hong Kong Environmental Protection Department will soon issue two environmental project public tenders. The projects are as follows:

Project 1

- ◆ Feasibility Study for Material Recover/Recycling Facilities
- ◆ Consultancy Invitation Date – September 2000 (tentative)

- ◆ Contract Let – February 2001 (tentative)
- ◆ Project Commencement Date – February 2001 (tentative)
- ◆ Type of Agreement – Feasibility Study
- ◆ Expected Duration – 15 months
- ◆ Major Activity – To determine that the recommended sites are feasible in all aspects for development of materials recovery/recycling facilities.

Contact Officer – Mr. Tom K.L. Lai, Facilities Planning Group, Environmental Protection Department, Tel: 852-2872-1702; Fax: 852-2872-0389

Project 2

- ◆ Feasibility Study for Animal Crematorium Facility
- ◆ Consultancy Invitation Date – October 2000
- ◆ Contract Let – January 2001
- ◆ Project Commencement Date – February 2001
- ◆ Type of Agreement – Feasibility Study
- ◆ Expected Duration – 16 months
- ◆ Major Activity – To carry out a study on cremation of animal carcasses.

Contact Officer – Mr. Simon S.M. Liu, Special Waste Facilities Group, Environmental Protection Department, Tel: 852-2872-1682; Fax: 852-2591-0636

Ireland Travel & Tourism Who's Who List

U.S. & Foreign Commercial Service and U.S. Department of State published a report detailing all major contacts within the Irish travel and tourism trade who are involved in promoting and facilitating travel to the United States from Ireland. The list is divided into four main categories:

1. Irish Visit USA Committee - The very active local Visit-USA committee is a non-profit organization, comprised of 40 U.S. and Irish hospitality firms and supported by the U.S. Commercial Service, which provides an important promotional and networking vehicle for travel and tourism entities looking to enter or increase promotional activities in the Irish market. The Committee organizes a U.S.A. pavilion at the annual Irish Holiday World Trade Fair. This event attracts over 55,000 trade and consumers, as well as organizes high profile promotional events targeting the Irish travel trade sector, publishes a newsletter distributed to the travel trade, and operates a brochure line office providing tourism information to the trade and consumer markets.
2. Irish Travel Agents Association - The association makes representations on travel-related matters to government bodies and to the principal carriers on behalf of its 359 members including tour operators.

3. Major Tour Operators - Exclusive of those that are already listed under Irish Visit USA Committee.

4. Major Travel Agents - A list of contacts and agents.

For a copy of a report, send the request form by Fax: (808) 587-3388 or by email: tradeinvest@dbedt.hawaii.gov.

Trade Shows, Conferences, & Trade Missions

June 20-22, 2001

Asian Brew & Beverage 2001, Singapore. The biennial event features various beers, beverages, and related equipment such as bar, pub and café facilities, catering and dispensing equipment, energy management, disinfecting, labeling and packaging systems. Exhibition area is more than 10,000 square meters. Contact Rebecca Chan or Yin-Ling Chan of Business & Industrial Trade Fairs Ltd in Hong Kong for more details at Tel: 852-2865-2633; Fax: 852-2866-2076; Email: brew@bitf.com.hk

September 19-22, 2001

Food China, Shanghai, China. Since the first show in 1994, Food China has become one of the largest trade exhibitions in China. China is one of the youngest branded food markets in the world. To give more background information on the changes in the China market, the organizer, Hong Kong Exhibition Services, has compiled a Chinese market brief titled, **Food Brands in China**, in conjunction with Seymour – Cooke Ltd. Food China, Shanghai, China. Since the first show in 1994, Food China has become one of the largest trade exhibitions in China. China is one of the youngest branded food markets in the world. To give more background information on the changes in the China market, the organizer, Hong Kong Exhibition Services, has compiled a Chinese market brief titled, **Food Brands in China**, in conjunction with Seymour – Cooke Ltd. For a copy of a summary version please send the request form below by Fax: (808) 587-3388 or by email: tradeinvest@dbedt.hawaii.gov. The full report can be ordered from the publisher; Email: sales@seymour-cooke.com or call 44 0 171 704 9951. For more information on the upcoming Food China, contact Hong Kong Exhibition Services Ltd. (HKES) at Tel: 852-2804-1500; Fax: 852-2528-3103; Email: nancy@hkesmontnet.com.hk. The report can be ordered from the publisher; Email: sales@seymour-cooke.com or call 44 0 171 704 9951. For more information on the upcoming Food China, contact Hong Kong Exhibition Services Ltd. (HKES) at Tel: 852-2804-1500; Fax: 852-2528-3103; Email: nancy@hkesmontnet.com.hk

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Report Request Form

Company: _____ Contact person: _____
 Address: _____ City: _____ Zipcode _____
 Telephone number: _____ Facsimile number: _____

Report(s) requested:

___ Japan – Service Sector Changes
 ___ Marketing to the Chinese-Canadian Community
 ___ Korea IFFS
 Other: _____

___ Brazil – Sporting Goods Market
 ___ Ireland Travel & Tourism
 ___ Food Brands in China

Please fax this completed form to (808) 587-3388, or Email your request to: tradeinvest@dbedt.hawaii.gov